

December 12, 1997

Cynthia L. Johnson, Dir.  
Cash Mgmt. Policy & Planning Div.  
Financial Mgmt. Service  
US Dept. Of the Treasury  
401 14<sup>th</sup> St., SW, Room 420  
Washington, DC 20227

CHG  
12/18/97  
Attorney

RE: EFT 99

Dear Ms. Johnson:

I have been a legal service attorney for ten years and for the last seven I have been working with the senior population of our low-income community.

A majority of my clients are elderly minority women, many of whom have had less than a sixth grade education, and the education they did have was not high quality. I find that even those with five or six years of schooling are not able to read and write in a manner which enables them to carry on their financial transactions without difficulty. They have never had a bank account. They receive their social security check each month, cash it, write money orders for bills and manage to get along. I cannot imagine how these women are going to cope with EFT.

Another problem area for EFT is for people who, because of their low income status, have had credit problems and have judgments pending against them. Even though their benefits are exempt from garnishment, I regularly see seniors who are devastated because their bank account has been frozen by a creditor. It may take a week or more to get the funds released and banks consistently take large amounts of small social security deposits to pay bank fees for such things as bad checks and overdrafts. They have become afraid of having a bank account - and with very good reason. You are surely aware that there are lots of people who subsist on social security and supplemental benefits - which is less than \$500.00 a month - the loss of any of that for bank fees creates chaos.

Consumer protections are SO important in every situation, but in this situation - where the least sophisticated consumer is being strong armed by the federal government, please take every precaution so that REAL options are available to those in great need of them - primarily the option of continuing to receive their benefits by check where it is truly necessary.

Sincerely,

*Mary K. Little*

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